

Facts for Consumers



Federal Trade Commission	Toll-free 1-877-FTC-HELP
www.ftc.gov	For the Consumer

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“Want to earn hundreds of dollars a week—at home in your leisure time? Many people supplement their income in a very easy way. Let us tell you how...”

Ads like these can be found in newspapers and magazines in every American city. While you may find such offers appealing, especially if you can't work outside your home, exercise caution. While some work-at-home plans are legitimate, many are not. Home employment schemes are among the oldest kinds of classified advertising fraud.

Many ads don't say that you may have to work many hours without pay. Or that there may be hidden costs. Countless work-at-home schemes require you to spend your own money to place newspaper ads; make photocopies; or buy the envelopes, paper, stamps, and other supplies or equipment you need to do the job. The companies sponsoring the ads also may demand that you pay for instructions or materials. Consumers deceived by these ads have lost thousands of dollars, in addition to time and energy.

Common Work-At-Home Schemes

Several types of employment are classic work-at-home schemes.

- ◆ **Envelope stuffing.** Promoters usually advertise that, for a “small” fee, they will tell you how to earn money stuffing

envelopes at home. Later—when it's too late—you find out that the promoter never had any employment to offer. Instead, for your fee, you're likely to get a letter telling you to place the same “envelope-stuffing” ad in newspapers or magazines, or to send the ad to friends and relatives. The only way you'll earn money is if people respond to *your* work-at-home ad.

- ◆ **Assembly or craft work.** These programs often require you to invest hundreds of dollars in equipment or supplies. You also may be required to spend many hours producing goods for a company that has promised to buy them. For example, you might have to buy from the company a sewing or sign-making machine or materials to make such items as aprons, baby shoes or plastic signs. However, after you've purchased the supplies or equipment and performed the work, fraudulent operators don't pay you. In fact, many consumers have had companies refuse to pay for their work because it didn't meet “quality standards.” Unfortunately, no work is ever “up to standard,” leaving workers with relatively expensive equipment and supplies—and no income. To sell their goods, these workers must find their own customers.

Exercise Caution

Legitimate work-at-home program sponsors should tell you—in writing and for free—what's involved. Here are some questions you might ask a potential employer:

- ◆ What tasks will I be required to per-

form? (Ask the program sponsor to list every step of the job.)

- ◆ Will I be paid a salary or will my pay be based on commission?
- ◆ Who will pay me?
- ◆ When will I get my first paycheck?
- ◆ What is the total cost of the work-at-home program, including supplies, equipment and membership fees?
What will I get for my money?

The answers to these questions may help you determine whether a work-at-home program is legitimate, guarding you against financial loss.

You also might want to check out the company with your local consumer protection agency, state Attorney General and the Better Business Bureau both where the company is located and where you live. These organizations can tell you whether they have received complaints about the work-at-home program that interests you.

Where to Complain

If you have spent money and time in a work-at-home program and now believe the program may not be legitimate, contact the company and ask for a refund. Let company representatives know that you plan to notify officials about your experience. If you can't resolve the dispute with the company, here are some organizations that may be able to help you:

- ◆ The Attorney General's office in your state or the state where the company is located. The office will be able to tell

you whether you're protected by any state law that may regulate work-at-home programs.

- ◆ Your local consumer protection offices.
- ◆ Your local Better Business Bureau.
- ◆ Your local postmaster. The U.S. Postal Service investigates fraudulent mail practices.
- ◆ The advertising manager of the publication that ran the ad. The manager may be interested to learn about the problems you've had with the company.
- ◆ You can file a complaint with the Federal Trade Commission by contacting the Consumer Response Center by phone, toll-free at 1-877-FTC-HELP (382-4357); TDD: 202-326-2502; by mail at Consumer Response Center, Federal Trade Commission, 600 Pennsylvania Avenue, NW, Washington, DC 20580; or online at **www.ftc.gov**, using the complaint form. Although the Commission cannot resolve individual problems for consumers, it can act against a company if it sees a pattern of possible law violations.

For More Information

The FTC publishes free brochures on many consumer issues. For a complete list of publications, visit the FTC online at **www.ftc.gov**—click on Consumer Protection. Or, write for *Best Sellers* to Consumer Response Center, Federal Trade Commission, 600 Pennsylvania Avenue, NW, Washington, DC 20580; or call toll-free 1-877-FTC-HELP (382-4357); TDD: 202-326-2502.